GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6262
ANSWERED ON:05.05.2000
EXCISE DUTY EXEMPTION
SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) Whether while household goods made of stainless steel and aluminium and cutlery and glass-table ware are exempt from Central Excise, the household plastic products are subject to Central Excise;

(b) If so, the reasons therefor;

(c) Whether Government have received representations in this regard from plastic industry especially that from Maharashtra;

(d) If so, the details thereof and the steps taken to protect the interests of plastic industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) There is no excise duty on household goods made of stainless steel, aluminium, cutlery and glass-tableware. Subject to certain conditions, plastic products are exempt from excise duty upto Rs. 50 lakhs in a financial year, if produced by SSI units.

(b) The duty structure for different commodities are decided taking into account a number of factors such as, nature and use of goods, administrative feasibility of collecting the tax, the extent of value-addition, the ability of goods to bear the tax burden, revenue potential etc.

(c) Yes Sir.

(d) Representations have been received from the certain associations, including those from Maharashtra seeking, inter alia, to restore the pre-budget exemption scheme to articles of plastic.The rate of excise duty on plastic materials was reduced from 24% to 16% in the Budget for 2000-01. The rate of excise duty on articles of plastics was also reduced from 24% to 16%. At present there is no proposal to modify the structure of duty on household articles of plastics.